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8 UNITED STATES BANKRUPTCY COURT
9 EASTERN DISTRICT OF CALIFORNIA
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11
12 In re

13 Michael B. Haeflinger and
14 Sheila L. Haeflinger,

15 Debtors.
16 _____/

Case No. 15-90754
Chapter 13 Case
D.C. No. DCJ-1
Hearing: March 7, 2017
Time: 10:00 a.m.
Place: 1200 I Street, Suite 4
Modesto, California

17 **DEBTORS' MOTION FOR AUTHORITY TO SELL REAL PROPERTY**

18 Michael B. Haeflinger and Sheila L. Haeflinger (the "Debtors") move the Court for
19 an order authorizing them to sell the real property commonly known as 5530 Finney Road,
20 Salida, California (the "Real Property"), and in support of this motion, respectfully
21 represent:

22 1. The Debtors filed a Chapter 13 petition in this Court on July 31, 2015. The Chapter
23 13 plan was confirmed by order entered on October 21, 2015.

24 2. On the petition date, the Debtor owned the Real Property, which is their home.
25 The Debtors scheduled the value of the Real Property at \$219,000, subject to three deeds of
26 trust:

27 (a) First deed of trust held by Ocwen Loan Servicing, LLC ("Ocwen") securing a

1 balance of \$236,867.

2 (b) Second deed of trust held by Household Finance Corporation of California
3 (“HFC”) securing a balance due of \$88,378.

4 (c) Third deed of trust held by Bank of America, N.A. (“B of A”) securing a balance
5 due of \$49,980.

6 3. The Debtors claimed a homestead exemption of \$1, which has been allowed by
7 operation of law.

8 4. This motion seeks authority to sell the Real Property to Cary Hahn (the “Buyer”) for \$200,000 in a short sale. A true copy of the purchase agreement is filed in support of this
9 motion as Exhibit A. Ocwen has consented to the short sale and to payment of expenses of
10 sale, including real estate brokers’ commissions, from its gross proceeds. A true copy of the
11 estimated closing statement is filed in support of this motion as Exhibit B.

12 5. The HFC second deed of trust was reconveyed voluntarily on July 14, 2015 as
13 document number 2015-0055168-00, Official Records, Stanislaus County, California.

14 6. The B of A third deed of trust was reconveyed voluntarily on January 12, 2016, as
15 document number 2016-0001922-01

16 7. The Buyer is unrelated to the Debtors and the transaction is at arms length.

17 8. The real estate brokers’ commissions of \$12,000 (6% of sales price) are being paid
18 from Ocwen’s proceeds with its consent under the short sale approval.

19 9. The proposed sale will not affect the current confirmed plan since Ocwen’s loan
20 was current on the petition date and was paid directly by the Debtors as a Class 4 claim.
21 The two junior deeds of trust were treated as Class 7 (general unsecured) claims based on a
22 reconveyance (by HFC) and an approved stipulation (as to B of A).

23 WHEREFORE, Michael B. Haeflinger and Sheila L. Haeflinger, the Debtors, pray
24 that the Court authorize them:

25 1. To sell the real property commonly known as 5530 Finney Road, Salida,
26 California, to Cary Hahn for the sum of \$200,000;
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2. To pay real estate brokers' commissions of \$12,000 to PMZ Real Estate from the gross proceeds;
3. To pay escrow and title expenses, property tax prorations, and other closing costs;
4. To pay to Ocwen Loan Servicing, LLC, the net proceeds, estimated to be \$185,000; and
5. To execute any and all documents necessary or convenient to complete the sale.

Dated: February 7, 2017

Respectfully submitted,

/s/ David C. Johnston

David C. Johnston
Attorney for Debtors
Michael B. Haeflinger and Sheila L. Haeflinger